

## Benefit-cost analysis

### Advancing the Use of Evidence and Economics in State Government Policymaking

*How can state governments make better use of the growing base of evidence about “what works” and thereby provide taxpayers improved returns on their dollars?*

#### Background

Since the 1990s, the Washington State legislature has directed WSIPP to review research on “what works” (and what does not) in public policy. WSIPP’s work has spanned many topic areas, including criminal justice, education, child welfare, behavioral health, health care, workforce development, public health, and prevention. In our systematic reviews, we assess the research evidence to identify public policies that improve statewide outcomes of legislative interest; we then estimate the benefits, costs, and risk associated with different options.

In recent years, representatives from other states have contacted us with an interest in duplicating Washington’s approach. The Pew-MacArthur Results First initiative, which funds part of WSIPP’s work, aims to enable other states to take a similar approach as Washington. As part of this project, WSIPP has developed software that allows analysts to input state-specific data to examine the cost and benefits of various policy choices that impact outcomes of interest to state governments.

WSIPP’s benefit-cost model includes a tool to analyze hypothetical “portfolios” of policy choices in order to forecast the overall impact on outcomes given a combination of policies and programs. In addition to projecting short- and long-term benefits and costs of portfolios, the new tool can also project future high school graduation, crime, and child abuse and neglect rates.

#### The current project

In 2016 and 2017, WSIPP’s “evidence and economics” approach will expand into new research areas, including aging and higher education. WSIPP will also update and substantively extend analyses in previous areas, such as health care, children’s services, workforce development, and crime.

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Stephanie Lee, (360) 664-9803

## Children’s services

### Child Welfare Services and Performance-Based Contracts

#### Child welfare services

The 2009 Washington State Legislature established the Child Welfare Transformation Design Committee to advise the Department of Social and Health Services (DSHS) in changing practices in child welfare. Legislation directed DSHS to set up two demonstration sites to compare child welfare case management by private “supervising agencies” with child welfare case management by DSHS employees.

The 2016 Legislature directed these demonstration sites to be implemented by December, 2019. WSIPP was assigned to report on the “measurable effects achieved by the supervising agencies and compare those measurable effects with the existing services offered by the state” by April 1, 2018. Under the current implementation plan, WSIPP will be able to report on measureable effects by 2023.

#### Performance-based contracts

The 2012 Legislature directed the DSHS to enter into performance-based contracts by December 2013, with one or more network administrators for family support and related services. WSIPP must report to the Governor and the legislature regarding the conversion of existing contracts to performance-based contracts.

An initial report was released in December 2014. The 2016 Legislature delayed the final report, initially due June 30, 2016, until April 1, 2023.

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Marna Miller, (360) 664-9086

## Family Assessment Response

The 2012 Washington State Legislature directed DSHS to employ one of two responses for reports that are screened in and accepted for response: an investigation (currently the only option) or a family assessment. A family assessment is defined as a comprehensive assessment of child safety, risk of subsequent child abuse or neglect, and family strengths and needs that is applied to a child abuse or neglect report. The assessment does not include a determination as to whether child abuse or neglect occurred but does determine the need for services to address the safety of the child and the risk of subsequent maltreatment.

WSIPP will conduct an evaluation of the implementation of the family assessment response. The evaluation will include child safety measures, out-of-home placement rates, re-referral rates, and caseload sizes and demographics. A preliminary report was published in December 1, 2014. The final report is due by December 1, 2016.

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Marna Miller, (360) 664-9086

## Evaluation of Hub Home Model for Foster Care Delivery

The 2016 Washington State Legislature directed WSIPP to evaluate the impact and cost effectiveness of the Mockingbird Family Hub Home Model for foster care delivery. In the Hub Home Model, families live nearby a Hub Home which offers support to the families.

WSIPP's evaluation must include the impact the Hub Home Model has on child safety, permanency, placement stability, and if possible, sibling connections, culturally relevant care, and caregiver retention. Additionally, WSIPP will report on long-term cost savings compared to traditional foster care.

An interim report is due to the legislature January 15, 2017, and a final report is due June 30, 2017.

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Marna Miller, (360) 664-9086

## Criminal justice

### Offender Reentry

The 2016 Washington State Legislature directed WSIPP to examine programs intended to assist offenders who reenter the community after incarceration. We will systematically review the national research literature and conduct a meta-analysis on reentry programs to determine if they are cost-effective at reducing crime or other outcomes.

The report is due to the governor, the legislature, and the Washington Statewide Reentry Council by June 1, 2017.

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Elizabeth Drake, (360) 664-9075

## Health care

### Evaluation of Policy Options to Address Primary Care Shortages in Rural Washington State

The Washington State Legislature directed the Washington State Institute of Public Policy to contract with an “objective, non-partisan, nationally known organization to examine policy options for increasing the availability of primary care services in rural Washington.”

The report will analyze ways to increase the supply of physicians in rural areas. The report will include, but is not limited to the following:

- Expanding medical school admissions in a manner emphasizing primary care;
- Increasing the number of primary care residency positions in Washington;
- New educational loan repayment incentives to encourage primary care physicians to practice in rural areas; and

The project will also examine options to increase availability of primary care services that complement or substitute the increasing number of primary care physicians. The report will include, but is not limited to the following:

- The promotion of alternative models of primary care practice and
- Increasing the supply of nurse practitioners and other allied health professionals.

The report will be published during the fall of 2016.

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John Bauer, (360) 664-9071

## Higher education

### College Bound Scholarship Program

The 2015 Washington State Legislature directed the Washington State Institute for Public Policy (WSIPP) to complete an evaluation of the College Bound Scholarship Program, emphasizing degree completion rates at second and postsecondary levels. The study will include, but is not limited to, the following:

- Scholarship recipient grade point average and its relationship to positive outcomes;
- Variance in remediation needed and differentials in persistence between College Bound Scholarship recipients and their peers; and
- The impact of ineligibility for the College Bound Scholarship Program, for reasons such as moving into the state after middle school or change in family income.

The report is due to the legislature by December 1, 2018.

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Danielle Fumia, (360) 664-9076

## Mental health

### Longitudinal Evaluation of Crisis Mental Health Services and Involuntary Commitments in Washington State

#### Study Background

The 2014 Washington State Legislature directed the Washington State Institute for Public Policy (WSIPP) to complete a comprehensive assessment of the utilization and capacity needs for crisis mental health services provided by the Department of Social and Health Services (DSHS). The study will include the following:

- An update to statewide utilization and capacity figures;
- A longitudinal study of outcomes and certain public costs; and
- A review of practices in other states.

A preliminary report was published in January 2015. The final report is due by December 1, 2016.

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Mason Burley, (360) 528-1645

### Evaluation of the Effect of Integration on the Involuntary Treatment Systems for Substance Abuse and Mental Health

The 2016 Washington State Legislature directed WSIPP to evaluate the effect of the integration of the involuntary treatment systems for substance use disorders and mental health. WSIPP's report must include whether the integrated system:

- Increases efficiency of evaluation and treatment of persons involuntarily detained for substance use orders;
- Is cost-effective, including impacts on health care, housing, employment, and criminal justice costs;
- Results in better outcomes for persons involuntarily detained;
- Increases the effectiveness of the crisis response system statewide;
- Impacts commitment based on mental disorders;
- Is sufficiently resourced with enough involuntary treatment beds, less restrictive treatment options, and state funds to provide timely and appropriate treatment for all individuals interacting with the integrated involuntary treatment system; and
- Diverted a significant number of individuals from the mental health involuntary treatment system whose risk results from substance abuse, including an estimate of the net savings from serving these clients into the appropriate substance abuse treatment system.

Preliminary reports are due to the legislature on December 1, 2020 and June 30, 2021, and a final report is due June 30, 2023.

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Mason Burley, (360) 528-1645

## Pre-K-12 education

### LAP Inventory: Effective Practices to Assist Struggling Students

The 2013 Washington State Legislature directed the Washington State Institute for Public Policy (WSIPP) to prepare an inventory of evidence- and research-based effective practices, strategies, and activities for school districts to use in the Learning Assistance Program (LAP).

The state program provides supplemental academic support to eligible K-12 students achieving below grade level or not on track to meet local or state graduation requirements. LAP funds may support programs in reading, writing, mathematics, and readiness, as well as programs to reduce disruptive behavior.

An initial report was released in July 2014. Updates were published in July 2015 and July 2016. The inventory will be updated every two years thereafter.

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Matt Lemon, (360) 664-9085

## K–12 Public School Staff Compensation Analysis

The 2016 Washington State Legislature created the Education Funding Task Force to make recommendations to the legislature by January 9, 2017 regarding the state's program of basic education. The Task Force is composed of eight legislators and one representative of the Governor to act as facilitator.

To inform the Task Force's work, WSIPP is directed to contract with an independent consultant to collect and analyze K-12 public school staff compensation data. The analysis must examine the amount and uses of compensation paid in addition to basic education salary allocations, market rate salaries, and potential local labor market adjustment formulas. The interim report was published in September 2016. The final report is due to the Task Force November 15, 2016.

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Annie Pennucci, (360) 664-9804

## Professional Educator Workforce Standards

The 2016 Washington State Legislature directed WSIPP to review the effect of revisions to Washington's Professional Educator Standards Board's (PESB) expedited professional certification process for out-of-state teachers who have at least five years of successful teaching experience.

The report will include the following:

- The extent to which advanced level teacher certificates from other states compare to the standards and requirements of the Washington professional certificate;
- The extent to which the federal or state-issued advanced level certificates that allow individuals to teach internationally compare to the standards and requirements of the Washington professional certificate; and

The report is due to the legislature by September 1, 2020.

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Matt Lemon, (360) 664-9085

## Early Achievers Quality Rating and Improvement System

The 2015 Washington State Legislature required the Early Childhood Education and Assistance Program (ECEAP) providers and licensed child care providers serving non-school aged children who receive state subsidies participate in Early Achievers. Early Achievers is Washington State's quality rating and improvement system for early childhood education and child care providers.

In the same bill, WSIPP was directed to examine the relationship between the Early Achievers quality ratings and outcomes for children who participate in state-subsidized early education and child care. A preliminary report is due to the legislature by December 31, 2019, with subsequent reports in 2020, and 2021. A final report including a benefit-cost analysis of Early Achievers is due to the legislature by December 31, 2022.

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Rebecca Goodvin, (360) 664-9077

## School Safety and Security Funding

The 2016 Washington State Legislature directed WSIPP to evaluate how Washington and other states have addressed the funding of school safety and security programs.

The report is due to the governor, the legislature, and the Office of the Superintendent of Public Instruction by December 1, 2017.

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Matt Lemon, (360) 664-9085

## Evaluation of Policy Changes to Reduce Excessive Absenteeism in Public K–12 Schools

The 2016 Washington State Legislature changed existing statute and added new provisions to decrease absenteeism and truancy in public K-12 schools, including the following:

- All school districts (except very small districts) and their corresponding juvenile courts must establish community truancy boards by the 2017-18 school year;
- Courts must implement an initial stay of truancy petitions and refer children and families to community truancy boards for assessment and intervention; and
- In cases where detention is deemed necessary, the law establishes a preference for placement in secure crisis residential centers or HOPE centers (as opposed to juvenile detention facilities).

The same bill directs WSIPP to evaluate the impacts of this act. A preliminary report on study methods and potential data gaps is due by January 1, 2018, and the final report by January 1, 2021.

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Elizabeth Drake, (360) 664-9075

## Public health

### Cannabis Legalization Evaluation

In November, 2012, Washington State voters passed Initiative 502 to regulate and tax cannabis for persons twenty-one years of age and older. As part of I-502, WSIPP was directed to “conduct cost-benefit evaluations of the implementation” of the law. The evaluations must include measures of impacts on public health, public safety, cannabis use, the economy, the criminal justice system, and state and local costs and revenues.

A preliminary report was released in September 2015. Subsequent reports will be released in 2017, 2022, and 2032.

Monitoring Trends in Use Prior to Implementation of I-502

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Adam Darnell, (360) 664-9074

## Substance abuse

### Long-acting Injectable Medication for Alcohol and Opiate Dependence

The 2015 Washington State Legislature directed the Washington State Institute for Public Policy to evaluate outcomes and conduct a benefit-cost analysis of FDA approved long-acting injectable medications that are indicated for the treatment of alcohol and opiate dependence. A final report is due by December 31, 2016.

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Elizabeth Drake, (360) 664-9075

## Transportation

### Ferry Procurement Practices

The 2015 Washington State Legislature directed the Washington State Institute for Public Policy to conduct a benefit-cost analysis of the state's ferry vessel procurement practices. This analysis must include the following:

- Compare in-state construction to construction at shipyards across the United States;
- Identify barriers to receiving three or more in-state bids to a request for proposals; and
- Recommend policies to encourage three or more in-state bidders to respond to a request for proposals.

This report is due to the legislature by December 1, 2016.

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Madeline Barch, (360) 664-9070

For further information, contact:  
(360) 664-9800, [Institute@wsipp.wa.gov](mailto:Institute@wsipp.wa.gov)

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## Washington State Institute for Public Policy

The Washington State Legislature created the Washington State Institute for Public Policy in 1983. A Board of Directors—representing the legislature, the governor, and public universities—governs WSIPP and guides the development of all activities. WSIPP's mission is to carry out practical research, at legislative direction, on issues of importance to Washington State.